

**CAPITAL REGION PLANNING COMMISSION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2013**

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## INDEPENDENT AUDITORS' REPORT

The Commissioners of the  
Capital Region Planning Commission  
Baton Rouge, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund (General Fund), and the fiduciary fund of the Commission, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 6, page 31 and page 32, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of indirect cost allocation plan and schedule of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of indirect cost allocation plan, schedule of functional expenses, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of indirect cost allocation plan, schedule of functional expenses, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.



Gonzales, Louisiana  
December 31, 2013

## **CAPITAL REGION PLANNING COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS**

The management's discussion and analysis of the Capital Region Planning Commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2013. This document focuses on the current year's activities, resulting changes, and currently know facts.

**New Accounting Pronouncement Implemented** - The Commission implemented Governmental Accounting Standards Board (GASB) Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position for the year ended June 30, 2013. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The reader will note a change in terminology from "net assets to net position".

### **FINANCIAL HIGHLIGHTS**

- The Commission's assets exceeded its liabilities at the close of the fiscal year 2013 by approximately \$115,000 compared with \$215,000 last fiscal year;
- The net position decreased by approximately \$100,000 compared to a decrease of approximately \$88,000 last fiscal year;
- Operating grants decreased by approximately \$246,000 compared to the 2012 fiscal year;
- Total Commission expenses decreased by approximately \$219,000 in the relation to last fiscal year;
- Total Commission revenues decreased by approximately \$231,000 or 14.7% in the relation to last fiscal year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This management's discussion and analysis is intended to serve as an introduction to the Capital Region Planning Commission's basic financial statements. The Commission's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The annual financial report includes the Statement of Position; the Statement of Activities; Balance Sheet of Governmental type funds; Notes to the Financial Statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information concerning the indirect cost allocation proposal, and Single Audit reports.

**Government-Wide Financial Statements** - The government-wide financial statements present information for the Capital Region Planning Commission as a whole, in a format designed to make the statements easier for the reader to understand. This broad overview of the Commission's finances is done in a manner similar to private-sector business. The statements of this section include the Statements of Net Position; the Statement of Activities.

**Statement of Net Position** - presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Capital Region Planning Commission is improving or deteriorating.

## **CAPITAL REGION PLANNING COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Statement of Activities** - presents information showing how the Commission's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governmental entities, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental funds** - are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of expendable resources at the end of the fiscal year. Such information may be useful in evaluating the Commission's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains four individual governmental grants within the General Fund. The general fund is the major fund. Information is presented separately in the Schedule of Functional Expenses for the Administrative, Transportation Planning, Transit Planning, Air Quality, and the Economic Development Program.

The Commission adopts an annual appropriated budget for the General Fund. Budgetary comparison statements have been provided to demonstrate performance of actual results with budgeted amounts.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Commission. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Commission's own programs. The Commission maintains one fiduciary fund which constitutes an employee retirement account.

**CAPITAL REGION PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF THE COMMISSION**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Capital Region Planning Commission, assets exceed liabilities by approximately \$115,000 at the close of the recent fiscal year.

**The Capital Region Planning Commission's Net Position**

Governmental Activities	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<b>Assets:</b>		
Current and other assets	\$ 616,811	\$ 784,789
Capital assets, net	<u>10,589</u>	<u>10,884</u>
Total assets	<u>627,400</u>	<u>795,673</u>
<b>Liabilities:</b>		
Current liabilities	123,772	202,794
Long-term liabilities	<u>388,881</u>	<u>378,069</u>
Total liabilities	<u>512,653</u>	<u>580,863</u>
Total Net Position	<u>\$ 114,747</u>	<u>\$ 214,810</u>

The composite net position amount of approximately \$115,000 as of June 30, 2013 consists of investments in capital assets and unrestricted net position in the amounts of approximately \$11,000 and \$104,000, respectively. As of June 30, 2012, the composite net position of \$215,000 consisted of investment in capital assets of approximately \$11,000 and unrestricted net position of \$204,000.

Unrestricted net position is the part of net position that can be used to finance day-to-day operations without having limitations for what these amounts may be used. As referred to previously, the net position of the Commission decreased by \$100,000 from June 30, 2012 to June 30, 2013.

**The Capital Region Planning Commission's Change in Net Position**

Governmental Activities	<u>June 30, 2013</u>	<u>June 30, 2012</u>
<b>Revenues:</b>		
Program Revenue:		
Operating Grants	\$1,073,328	\$1,319,214
General Revenue:		
Dues	141,751	97,169
In kind	108,078	108,078
Investment and other	<u>16,348</u>	<u>46,014</u>
Total Revenues	<u>1,339,505</u>	<u>1,570,475</u>

(continued)

## CAPITAL REGION PLANNING COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

### Expenses:

Program expense	1,439,599	1,658,443
Total Expense	1,439,599	1,658,443
Decrease in Net Position	\$ (100,094)	\$ (87,968)

### Revenues by Source - Governmental Activities

The Commission's total revenues decreased \$230,970 compared to the 2012 fiscal year. The total cost of all programs and services, including in-kind expenses, decreased by \$218,844, as compared with last year.

### Capital Assets

At the end of the fiscal year 2013 the Commission had \$10,589 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net decrease of \$295 over last year.

Governmental Activities	June 30, 2013	June 30, 2012
Furniture and equipment	\$ 225,980	\$ 222,255
Vehicles	32,110	32,110
Accumulated depreciation	(247,501)	(243,481)
Totals	\$ 10,589	\$ 10,884

### BUDGET

The annual budget is proposed by the executive director on an organizational-wide basis, and formally adopted by the Board of Commissioners. The budget may be amended during the year at the Commission's discretion.

### CONTACTING THE COMMISSION FINANCIAL MANAGEMENT

This financial report is designed to provide granting agencies, citizens, and oversight bodies with a general overview of the Capital Region Planning Commission's finances.

If you have any questions about this report, contact the Executive Director. Capital Region Planning Commission, Post Office Box 3355, Baton Rouge, Louisiana 70821-3355.



**CAPITAL REGION PLANNING COMMISSION**  
**STATEMENT OF NET POSITION**  
**GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2013**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 88,769
Investments	240,416
Grant funds receivables	272,099
Other receivables	5,125
Prepaid expenses	10,402
Total current assets	<u>616,811</u>

Non-current assets:

Capital assets, net of accumulated depreciation	<u>10,589</u>
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<b>TOTAL ASSETS</b>	<u><u>627,400</u></u>
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**LIABILITIES**

Current liabilities:

Accounts payable	111,781
Due to grantors	11,991
Total current liabilities	<u>123,772</u>

Non-current liabilities:

Compensated absences	49,859
Other post employment benefit liability	339,022
Total non-current liabilities	<u>388,881</u>

<b>TOTAL LIABILITIES</b>	<u><u>512,653</u></u>
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**NET POSITION**

Invested in capital assets, net of related debt	10,589
Unrestricted	<u>104,158</u>

<b>TOTAL NET POSITION</b>	<u><u>\$ 114,747</u></u>
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The accompanying notes are an integral part of this financial statement.

**CAPITAL REGION PLANNING COMMISSION**  
**STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Program Revenues:**

Operating grants	\$ 1,073,328
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**Expenses:**

Advertising and promotions	5,894
Auto insurance	3,008
Consultant fees	163,964
Depreciation	4,020
Dues and subscriptions	4,417
Equipment and facilities maintenance	8,824
Equipment rental	4,850
General insurance	8,345
Group insurance	138,281
Legal and accounting	113,729
Miscellaneous	11,832
Office supplies	13,965
Payroll taxes	10,778
Postage	1,184
Professional education	18,901
Publishing	1,175
Rent-inkind	108,078
Salaries	773,880
Telephone	13,164
Travel	18,409
Vehicle expenses	8,206
Capital outlay	4,695
Total expenses	<u>1,439,599</u>

Net program expense	(366,271)
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**General Revenues:**

Dues assessment	141,751
Inkind revenue	108,078
Investment income	2,652
Fee for Service	9,875
Other revenues	3,821
Total general revenues	<u>266,177</u>

Change in net position	(100,094)
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Net position - Beginning of year	214,841
Net position - End of year	<u><u>\$ 114,747</u></u>

The accompanying notes are an integral part of this financial statement.

**CAPITAL REGION PLANNING COMMISSION**  
**BALANCE SHEET**  
**GENERAL FUND**  
**JUNE 30, 2013**

**ASSETS**

Cash	\$ 88,769
Investments	240,416
Grant funds receivable	272,099
Other receivables	5,125
Prepaid expenses	10,402
<b>Total assets</b>	<b>\$ 616,811</b>

**LIABILITIES**

Accounts payable	\$ 111,781
Due to grantors	11,991
<b>Total liabilities</b>	<b>123,772</b>

**FUND BALANCE**

Unassigned	493,039
<b>Total fund balance</b>	<b>493,039</b>
 <b>Total liabilities and fund balance</b>	 <b>\$ 616,811</b>

The accompanying notes are an integral part of this financial statement.

**CAPITAL REGION PLANNING COMMISSION**  
**RECONCILIATION OF GENERAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

Total fund balance - General Fund		\$ 493,039
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Cost of capital assets at June 30, 2013	258,090	
Less: accumulated depreciation as of June 30, 2013	<u>(247,501)</u>	10,589

Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.

Other post employment benefits	(339,022)
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Compensated Absences	<u>(49,859)</u>
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Total net position at June 30, 2013 - Governmental Activities	<u><u>\$ 114,747</u></u>
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The accompanying notes are an integral part of this financial statement.

**CAPITAL REGION PLANNING COMMISSION**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2013**

**REVENUES**

Federal funding	\$ 1,037,634
Fee for service	9,875
Local funding:	
Bicycle and pedestrian safety grant	35,694
Dues assessment	141,751
Inkind revenue	108,078
Investment income	2,652
Other income	3,821
Total revenues	<u>1,339,505</u>

**EXPENDITURES**

Current:

Advertising and promotions	5,894
Auto insurance	3,008
Consultant fees	163,964
Dues and subscriptions	4,417
Equipment and facilities maintenance	8,824
Equipment rental	4,850
General insurance	8,345
Group insurance	107,433
Legal and accounting	113,729
Miscellaneous	11,832
Office supplies	13,965
Payroll taxes	10,778
Postage	1,184
Professional education	18,901
Publishing	1,175
Rent-inkind	108,078
Salaries and deferred compensation	793,886
Telephone	13,164
Travel	18,409
Vehicle expenses	8,206
Capital outlay	8,420
Total expenditures	<u>1,428,462</u>

**Net change in fund balance** (88,957)

<b>Fund Balance, Beginning of Year</b>	<u>581,996</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 493,039</u></u>

The accompanying notes are an integral part of this financial statement.

**CAPITAL REGION PLANNING COMMISSION**  
**RECONCILIATION OF THE GENERAL FUND STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2013**

Net change in fund balance - General Fund	\$ (88,957)
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The change in net position reported for governmental activities in the statement of activities is different because:

Capital assets:

Capital outlay capitalized	3,725	
Depreciation expense for the year ended June 30, 2013	<u>(4,020)</u>	(295)

Increase in Other post employment benefits	(30,848)
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Decrease in Compensated absences	<u>20,006</u>
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Change in net position of governmental activities	<u><u>\$ (100,094)</u></u>
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The accompanying notes are an integral part of this financial statement.

**CAPITAL REGION PLANNING COMMISSION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**JUNE 30, 2013**

**ASSETS**

Investments	<u>\$ 536,671</u>
<b>Total Assets</b>	<b><u><u>\$ 536,671</u></u></b>

**NET POSITION**

Restricted for retirement plan	<u>\$ 536,671</u>
<b>Total Net Position</b>	<b><u><u>\$ 536,671</u></u></b>

The accompanying notes are an integral part of this statement.

**CAPITAL REGION PLANNING COMMISSION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**AS OF JUNE 30, 2013**

**Additions**

Contributions	\$ 665,501
Investment income, net of expenses	<u>40,787</u>
Total additions	706,288

**Deductions**

Benefits/Rollovers	<u>993,629</u>
Total deductions	<u>993,629</u>

<b>Change in Net Position</b>	(287,341)
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**Net position held in trust for deferred compensation:**

Beginning of year	<u>824,012</u>
End of year	<u><u>\$ 536,671</u></u>

The accompanying notes are an integral part of this statement.



## **CAPITAL REGION PLANNING COMMISSION**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

#### **Note 1 - Summary of Significant Accounting Policies**

##### **Introduction**

The Capital Region Planning Commission (CRPC) is a Council of Governments serving the eleven-parish Capital Region, which includes the following Parishes: Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, Tangipahoa, Washington, West Baton Rouge, and West Feliciana. A Council of Governments is a voluntary association of independent local governments who, through planning and communication, foster cooperation and coordination in resolving area-wide problems beyond any individual constituency's authority or competence. Individual governmental entities are represented by locally elected officials who must constitute a majority of representation on the Council. CRPC gets its authority, as do the other Regional Commissions in the state, under Louisiana Revised Statutes 33:131 et seq, as amended. All parish and municipal governments in the Capital Region may join CRPC. At present there are 11 parish members and 32 municipal members.

CRPC is the Baton Rouge area's designated Metropolitan Planning Organization (MPO), which each metropolitan area must have in order to carry out regional transportation planning efforts and receive federal highway funds. As the regional MPO, the Capital Region Planning Commission focuses a great deal of its resources on transportation planning issues and activities, which includes highway planning, the regional ridesharing program, and air quality issues. In addition, CRPC is one of eight sub-state planning and development districts which cover all 64 parishes in the state of Louisiana. Toward that end, CRPC provides technical assistance for economic development, comprehensive planning, and zoning to its members.

##### **Basis of Presentation**

The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit Guide, Audits of State and Local Governmental Units.

The financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.

## CAPITAL REGION PLANNING COMMISSION

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### Note 1 - Summary of Significant Accounting Policies (continued)

##### Financial Reporting Entity

The financial reporting entity consists of (a) the primary government board, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Governmental Accounting Standards Board (GASB) issued Statement No.39, determining whether certain organizations are component units, amends GASB 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit.

Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Based on the application of the above criteria, it was determined the Capital Region Planning Commission has no potential component units. As a result, this report includes all funds and account groups which are controlled by or dependent on the Commission or Board of Commissioners. Control by or dependence on the Commission was determined on the basis of budget adoption, and other general oversight responsibility.

The Commission is a component unit of the City of Baton Rouge\Parish of East Baton Rouge. The Commission does not act as an oversight unit for any component units.

**CAPITAL REGION PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Fund Accounting**

The Commission uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements as described as follows:

*Governmental Fund Types*

Governmental funds account for the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Commission include the General Fund - the general operating fund of the Commission and accounts for all financial resources, except those required to be accounted for in other funds.

*Fiduciary Fund Types*

Fiduciary Funds are used to account for assets held by the Commission in a trustee capacity. The Commission maintains one fiduciary fund type, pension trust fund. The Trust Fund is used to report fiduciary resources held in trust and the receipt, investment and distribution of retirement contributions.

**Measurement Focus/Basis of Accounting**

*Basic Financial Statements - Government-Wide Financial Statement (GWFS)*

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level. The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting/or Nonexchange Transactions*.

**CAPITAL REGION PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies (continued)**

*Basic Financial Statements - Fund Financial Statements (FFS)*

Fund financial statements report detailed information about the Commission. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the Commission has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

*Revenues* - Federal and state entitlements are recorded when available and measurable. Federal and state grants as well as local match monies which are restricted as to the purpose of the expenditures are recorded when the reimbursable expenditures have been made. Local member assessments are recorded in the year the assessments are due and payable. Such amounts are measurable and available to finance current operations. Investment income and in kind revenues are recorded when earned. Substantially all other revenues are recorded when received.

*Expenditures* - All expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**CAPITAL REGION PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies (continued)**

*Deferred Revenues* - Deferred revenues arise when resources are received before the Commission has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. Grant funds receivable arise when resources are expended on qualified grant expenditures and have not been reimbursed by the funding agency. In subsequent periods, when the Commission has a legal claim to the resources or receives the reimbursement, the liability for deferred revenue or receivable asset is removed and the revenue is recognized.

**Budget Practices and Budgetary Accounting**

The Commission budget, prepared in accordance with generally accepted accounting principles, is proposed by the executive director on an organization-wide basis, and formally approved and adopted by the Board of Commissioners. The budget may be amended during the year at the Commissioners' discretion. These appropriations lapse at year-end and any unexpended appropriations are re-budgeted in the subsequent year. Accordingly, encumbrances are not provided for in the financial statements.

**Cash, Cash Equivalents, and Investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits or investments with original maturity dates of less than 90 days. It is the Commission's policy only to invest in insured or compensated governmental backed securities.

**Accrued Compensated Absences**

The Commission's full-time employees who work year-round are granted vacation in varying amounts up to a maximum of 21 days per year. The cumulative amount of leave which can be carried forward is the amount earned over the last two years of employment.

**CAPITAL REGION PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Indirect Cost Allocations

Allocable indirect costs are charged to the General Fund during the year. The Commission uses the prior year rate in estimating indirect costs to be charged to the grants during the year for billing purposes. At the end of each year the actual indirect cost rate and charges to the grants are computed and appropriate adjustments are made. Allocable indirect costs exclude equipment purchases, but provide for depreciation of capital assets computed over estimated useful lives of three to ten years. The indirect costs are then allocated to the grants based on direct salary costs.

Capital Assets

Capital assets are recorded at historical or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures of contingent assets or liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories below:

1. Nonspendable, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),

**CAPITAL REGION PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Fund Balance Reporting (continued)

2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Commissioners (the Commission's highest level of decision making authority),
4. Assigned fund balance classifications are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Restricted amounts are considered to be spent prior to unrestricted amounts when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, and if unrestricted fund balance amounts are used then committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Recently Issued Accounting Principles

In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of net position and includes four components assets, deferred outflows of resources, liabilities and deferred inflows of resources. The Commission adopted GASB Statement 63 in 2013.

**Note 2 - Cash, Cash Equivalents, and Investments**

Cash and Cash Equivalents

At June 30, 2013, the carrying amount of the Commission's Cash and Cash Equivalents totaled \$88,769. Cash and Cash Equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

**CAPITAL REGION PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 2 - Cash, Cash Equivalents, and Investments (continued)**

Cash and Cash Equivalents (continued)

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk in the event of a bank failure, the Commission's deposits may not be returned to it. As of June 30, 2013, none of the Commission's bank balance was exposed to custodial credit risk.

Investments

*Custodial Credit Risk - Investments.* Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the Commission. At June 30, 2013, all of the Commission's investments were secured from risk completely through either FDIC or SIPC insurance coverage.

*Interest Rate Risk - Investments.* Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission's investments by maturity:

Investment Type	12 mths or less	13 to 24 mths	25 to 60 mths	Total
Time Deposits	\$ 240,416	\$ -	\$ -	\$ 240,416

*Credit Risk - Investments.* Under Louisiana R.S. 33:2955, as amended, the Commission may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, and other investments as provided in the statute. The Commission's investment policy does not limit its investment choices. As of June 30, 2013, the Commission's investments were in Time Deposits held at a local financial institution.



**CAPITAL REGION PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 2 - Cash, Cash Equivalents, and Investments (continued)**

Investments (continued)

*Concentration of Credit Risk - Investments.* The concentration of credit risk is the risk of loss that may occur due to the amount of investment in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds or external investment pools).

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the State of Louisiana. Each individual certificate of deposit was greater than 5% of the total investment balance.

**Note 3 - Capital Assets**

A summary of changes in capital assets are as follows:

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>
<b>Capital Assets:</b>				
Furniture, Fixtures, Office Equipment	\$ 222,255	\$ 3,725	\$ -	\$ 225,980
Vehicles	32,110	-	-	32,110
Accumulated Depreciation	<u>(243,481)</u>	(4,020)	-	<u>(247,501)</u>
Capital Assets, net	<u>\$ 10,884</u>			<u>\$ 10,589</u>

Depreciation expense amounted to \$4,020 for 2013.

**Note 4 - Federal Grants**

The Commission participates in a number of federally-assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 2013, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

## **CAPITAL REGION PLANNING COMMISSION**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

#### **Note 5 - Deferred Compensation Plan**

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. The plan, available to all full-time employees meeting specific length of service criteria, permits them to defer a portion of their salary, for federal income tax purposes, until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Commission funds the plan by making contributions to a plan administrator, on a monthly basis, at rates ranging from 7.5% to 12.5% of the employees' compensation. The contribution rate for employees is based on their employment longevity. The plan administrator offers a variety of investment alternatives directly to the participant. Commission employees may select from various mutual funds which are available in the plan.

#### **Note 6 - Post Employment Benefits Other Than Pensions**

**Plan Description** – The Capital Region Planning Commission's medical/dental benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree and dependents. Employees are covered by a retirement system whose retirement eligibility provisions are as follows: age 55 and 10 years of service or, if earlier, twenty (20) years of service at any age.

**Contribution Rates** – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

## CAPITAL REGION PLANNING COMMISSION

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### Note 6 - Post Employment Benefits Other Than Pensions (continued)

**Fund Policy** – Until 2007, the Capital Region Planning Commission recognized the cost of providing post-employment medical benefits (the Capital Region Planning Commission's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2013 and 2012, the Capital Region Planning Commission's portion of health care funding cost for retired employees totaled \$16,311 and \$14,467, respectively.

Effective July 1, 2007, the Capital Region Planning Commission implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

**Annual Required Contribution** – The Capital Region Planning Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<b>2013</b>	<b>2012</b>
Normal cost	\$ 17,010	\$ 17,010
30-year UAL amortization amount	35,644	35,644
Annual required contribution (ARC)	<u>\$ 52,654</u>	<u>\$ 52,654</u>

# CAPITAL REGION PLANNING COMMISSION

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 6 - Post Employment Benefits Other Than Pensions (continued)

**Net Post-employment Benefit Obligation (Asset)** – The table below shows the Capital Region Planning Commission's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	<b>2013</b>	<b>2012</b>
Beginning Net OPEB Obligation	\$ 308,174	\$ 274,888
Annual required contribution	52,654	52,654
Interest on Net OPEB Obligation	12,327	10,996
ARC Adjustment	(17,822)	(15,897)
OPEB Cost	47,159	47,753
Contribution	-	-
Current year retiree premium	(16,311)	(14,467)
Change in Net OPEB Obligation	30,848	33,286
Ending Net OPEB Obligation	\$ 339,022	\$ 308,174

The following table shows the Capital Region Planning Commission's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual Cost Contributed</b>	<b>Net OPEB Liability (Asset)</b>
June 30, 2013	\$ 47,159	34.59%	\$ 339,022
June 30, 2012	\$ 47,753	30.30%	\$ 308,174
June 30, 2011	\$ 49,817	30.33%	\$ 274,888

**Funded Status and Funding Progress** – In 2013 and 2012, the Capital Region Planning Commission made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2013 was \$616,377 which is defined as that portion, as determined by a particular actuarial cost method (the Capital Region Planning Commission uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

# CAPITAL REGION PLANNING COMMISSION

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 6 - Post Employment Benefits Other Than Pensions (continued)

		<b>2013</b>		<b>2012</b>
Actuarial Accrued Liability (AAL)	\$	616,377	\$	616,377
Actuarial Value of Plan Assets (AVP)		-		-
Unfunded Act. Accrued Liability (UAAL)	\$	616,377	\$	616,377
Funded Ratio (AVP/AAL)		0.00%		0.00%
Covered Payroll (active plan members)	\$	728,686	\$	785,458
UAAL as a percentage of covered payroll		84.59%		78.47%

**Actuarial Methods and Assumptions** – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Capital Region Planning Commission and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Capital Region Planning Commission and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Capital Region Planning Commission and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method** – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

## CAPITAL REGION PLANNING COMMISSION

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### **Note 6 - Post Employment Benefits Other Than Pensions (continued)**

**Actuarial Value of Plan Assets** – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

**Turnover Rate** – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

**Post employment Benefit Plan Eligibility Requirements** – Based on prior historical experience, we have assumed that employees retire at thirty (30) years of service or, if earlier at the later of age 65 and completion of 10 years of service. Medical benefits are provided to employees upon actual retirement. Entitlement to benefits continues through Medicare to death.

**Investment Return Assumption (Discount Rate)** – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

**Health Care Cost Trend Rate** – The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

**Mortality Rate** - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

# CAPITAL REGION PLANNING COMMISSION

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### Note 6 - Post Employment Benefits Other Than Pensions (continued)

**Method of Determining Value of Benefits** – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical and dental benefits for the retiree only (not dependents). The medical rates provided are "blended" rates for active and retired prior to Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility. Rates after Medicare eligibility were assumed to be unblended.

**Inflation Rate** - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

**Projected Salary Increases** - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

**Post-retirement Benefit Increases** - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

**Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.**

	OPEB Costs and Contributions		
	FY 2011	FY 2012	FY 2013
OPEB Cost	\$ 49,817	\$ 47,753	\$ 47,159
Contribution	-	-	-
Retiree premium	(15,111)	(14,467)	(16,311)
Total contribution and premium	(15,111)	(14,467)	(16,311)
Change in net OPEB obligation	\$ 34,706	\$ 33,286	\$ 30,848
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	30.33%	30.30%	34.59%

**CAPITAL REGION PLANNING COMMISSION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**Note 7 – Litigation and Claims**

There was no pending or threatened litigation against the Commission as of June 30, 2013.

**Note 8 – Subsequent Events**

Management has evaluated subsequent events through December 31, 2013, the date that the financial statements were available to issued, and determined that there were no events that require disclosure.



# **REQUIRED SUPPLEMENTARY INFORMATION**

## **PART II**

**CAPITAL REGION PLANNING COMMISSION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal funding	\$ 1,393,400	\$ 1,393,400	\$ 1,037,634
Fee for service	22,000	22,000	9,875
Local funding:			
Bicycle and pedestrian safety grant	130,000	130,000	35,694
Dues assessment	110,000	110,000	141,751
Outside agency local match	6,500	6,500	-
Inkind revenue	124,300	124,300	108,078
Investment income	-	-	2,652
Other income	5,000	5,000	3,821
Total revenues	1,791,200	1,791,200	1,339,505
<b>EXPENDITURES</b>			
Advertising and promotions	60,000	60,000	5,894
Auto insurance	4,000	4,000	3,008
Consultant fees	154,000	154,000	163,964
Dues and subscriptions	5,000	5,000	4,417
Equipment and facilities maintenance	5,000	5,000	8,824
Equipment rental	5,500	5,500	4,850
General insurance	7,000	7,000	8,345
Group insurance	130,000	130,000	107,433
Legal and accounting	85,000	85,000	113,729
Miscellaneous	14,200	14,200	11,832
Office supplies	10,000	10,000	13,965
Payroll taxes	12,500	12,500	10,778
Postage	1,000	1,000	1,184
Professional education	8,500	8,500	18,901
Publishing	500	500	1,175
Rent-inkind	124,300	124,300	108,078
Salaries	1,054,150	1,054,150	793,886
Telephone	11,000	11,000	13,164
Travel	20,000	20,000	18,409
Vehicle expenses	11,000	11,000	8,206
Capital outlay	38,200	38,200	8,420
Total expenditures	1,760,850	1,760,850	1,428,462
Net change in fund balance	30,350	30,350	(88,957)
 <b>Fund Balance, Beginning of year</b>	 581,996	 581,996	 581,996
<b>Fund Balance, End of year</b>	<b>\$ 612,346</b>	<b>\$ 612,346</b>	<b>\$ 493,039</b>

See auditors' report.

**CAPITAL REGION PLANNING COMMISSION**

**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST EMPLOYMENT BENEFIT PLAN**  
**YEAR ENDED JUNE 30, 2013**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll</u>	<u>((b-a)/c) UAAL as a Percentage of Covered Payroll</u>
7/1/2010	\$ -	\$ 570,080	\$ 570,080	0%	\$ 736,489	77.41%
7/1/2011	\$ -	\$ 616,377	\$ 616,377	0%	\$ 785,458	78.47%
7/1/2012	\$ -	\$ 616,377	\$ 616,377	0%	\$ 728,686	84.59%

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Amount Contributed</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Increase (Decrease) to Net OPEB Obligation</u>	<u>Net OPEB Obligation</u>
6/30/2011	\$ 49,817	\$ 15,111	30.33%	\$ 34,706	\$ 274,888
6/30/2012	\$ 47,753	\$ 14,467	30.30%	\$ 33,286	\$ 308,174
6/30/2013	\$ 47,159	\$ 16,311	34.59%	\$ 30,848	\$ 339,022

See auditors' report.

## **OTHER SUPPLEMENTARY INFORMATION**

**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF INDIRECT COST ALLOCATION PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Administrative Expenses	Adjustments to arrive at Allocable Cost	Allocable Administrative Cost
<b>EXPENSES</b>			
Advertising and promotions	\$ 1,671	\$ -	1,671
Auto insurance	3,008	-	3,008
Capital Outlay	5,868	(5,868)	-
Consultant fees	34,646	(34,646)	-
Depreciation	-	4,020	4,020
Dues and subscriptions	2,307	-	2,307
Equipment and facilities maintenance	8,824	-	8,824
Equipment rental	4,850	-	4,850
General insurance	8,345	-	8,345
Group insurance	107,433	(107,433)	-
Legal and accounting	113,729	-	113,729
Miscellaneous	9,341	(9,341)	-
Office supplies	13,768	-	13,768
Payroll taxes	10,778	-	10,778
Postage	1,184	-	1,184
Professional education	-	-	-
Publishing	148	-	148
Rent-in-kind	108,078	-	108,078
Salaries and deferred compensation	248,245	(65,200)	183,045
Telephone	13,164	-	13,164
Travel	5,267	-	5,267
Vehicle expenses	8,206	-	8,206
Total expenses	<u>\$ 708,860</u>	<u>\$ (218,468)</u>	<u>\$ 490,392</u>

***Reconciliation of Allocable General and Administrative  
Costs to General Fund Expenditures:***

Allocable General and Administrative Costs	\$ 490,392
Add	
Capital Outlay	5,868
Consultant fees	34,646
Miscellaneous	9,341
Group insurance	107,433
Deferred compensation	65,200
Deduct	
Depreciation	(4,020)
Management and general expenses per schedule of functional expenses	<u>\$ 708,860</u>

See auditors' report.

**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF INDIRECT COST ALLOCATION PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Direct Salary Costs:**

FTA LA-80-0020	\$ 66,783
FTA LA-18-X025	2,707
PL H.971941.1	347,567
EDA 08-83-04539	37,905
CATS LA-90-X308	62,923
Ridesharing 737-96-0016	23,952
B&P 737-99-1072	3,804
Total direct salary costs for programs	<u>\$ 545,641</u>

**Payroll Benefit Costs:**

Deferred compensation	65,200
Insurance	107,433
	<u>\$ 172,633</u>

**Indirect Cost Allocation Computation**

Overhead Rate	0.899
Payroll Rate	0.316
Indirect cost rate	<u>1.215</u>

**Overhead rate computation**

Adjusted overhead costs	\$ 490,392		
Total direct salary costs	\$ 545,641	=	\$ 0.899

**Payroll benefit rate computation**

Total payroll benefit costs	\$ 172,633		
Total direct salary costs	\$ 545,641	=	\$ 0.316

**Total indirect costs**

Direct salary costs	\$ 545,641
Indirect cost rate	<u>1.215</u>

Indirect cost computed on programs \$ 662,954

Less Indirect costs exceeding max on programs -

Total Indirect cost \$ 662,954

See auditors' report.

**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2013**

	Program Expenses					Total	
	Transport Planning	Transit Planning	Air Quality	Economic Development	Program Expenses	Management and General	Total
<b>Expenses</b>							
Advertising and promotions	\$ 3,965	\$ -	\$ 258	\$ -	\$ 4,223	\$ 1,671	\$ 5,894
Auto insurance	-	-	-	-	-	3,008	3,008
Consultant fees	7,886	-	1,812	119,620	129,318	34,646	163,964
Dues and subscriptions	11	-	-	2,099	2,110	2,307	4,417
Equipment and facilities maintenance	-	-	-	-	-	8,824	8,824
Equipment rental	-	-	-	-	-	4,850	4,850
General insurance	-	-	-	-	-	8,345	8,345
Group insurance	-	-	-	-	-	107,433	107,433
Legal and accounting	-	-	-	-	-	113,729	113,729
Miscellaneous	506	-	-	1,985	2,491	9,341	11,832
Office supplies	108	-	-	89	197	13,768	13,965
Payroll taxes	-	-	-	-	-	10,778	10,778
Postage	-	-	-	-	-	1,184	1,184
Professional education	597	700	-	17,604	18,901	-	18,901
Publishing	477	-	-	550	1,027	148	1,175
Rent-in-kind	-	-	-	-	-	108,078	108,078
Salaries and deferred compensation	66,727	69,490	23,952	385,472	545,641	248,245	793,886
Telephone	-	-	-	-	-	13,164	13,164
Travel	1,654	315	398	10,775	13,142	5,267	18,409
Vehicle expenses	-	-	-	-	-	8,206	8,206
Capital outlay	503	-	-	2,049	2,552	5,868	8,420
Total Expenses	82,434	70,505	26,420	540,243	719,602	708,860	1,428,462
Indirect cost allocations	81,073	84,430	29,102	468,348	662,954	(662,954)	-
Total expenses net of indirect cost allocations	\$ 163,507	\$ 154,935	\$ 55,522	\$ 1,008,591	\$ 1,382,556	\$ 45,906	\$ 1,428,462

See auditors' report.

**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenses
<b><u>UNITED STATES DEPARTMENT OF COMMERCE</u></b>			
Direct Program			
Economic Development Administration Area Planning Assistance Program	11.302		\$ 50,767
Total United States Department of Commerce			<u>50,767</u>
<b><u>DELTA REGIONAL AUTHORITY</u></b>			
Direct Program			
Delta Local Development District Assistance	90.202		20,856
Total Delta Regional Authority			<u>20,856</u>
<b><u>UNITED STATES DEPARTMENT OF TRANSPORTATION</u></b>			
Pass-Through Louisiana Department of Transportation and Development			
Highway Planning and Construction	20.205	LA-737-96-0016 H.971941.1	50,348 699,827
Metropolitan Transportation Planning Program	20.505	LA-80-0020/LA-80-0021-01	109,778
Federal Transit - Formula Grant (Urbanized Area Formula Program)	20.507	LA-90-X308	102,727
Formula Grants for Other Than Urbanized Area	20.509	LA-18-X025	3,331
Total United States Department of Transportation			<u>966,011</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 1,037,634</u></u>

See auditors' report.



## **CAPITAL REGION PLANNING COMMISSION**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

#### **NOTE 1 – General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana. The Commission's reporting entity is defined in note 1 of the Commission's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the schedule.

#### **NOTE 2 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Capital Region Planning Commission (the Commission), Baton Rouge, Louisiana and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Commissioners of the  
Capital Region Planning Commission  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund (General Fund), and the fiduciary fund of Capital Region Planning Commission (the Commission), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 31, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2013-1.

### **Capital Region Planning Commission's Response to Findings**

The Commission's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gonzales, Louisiana  
December 31, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Commissioners of the  
Capital Region Planning Commission  
Baton Rouge, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited the Capital Region Planning Commission's (the Commission) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2013. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Paula L. H. Wait of Nettunville*

Gonzales, Louisiana  
December 31, 2013

**CAPITAL REGION PLANNING COMMISSION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**I. Summary of Auditors' Results**

Financial Statements

Type of auditor's report issued: Unmodified

- Material weakness(es) identified? \_\_\_\_\_ Yes X No
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes X None reported

Noncompliance material to financial statements noted? X Yes \_\_\_\_\_ No

Federal Awards

Internal control over major programs.

- Material weakness(es) identified? \_\_\_\_\_ Yes X No
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes X None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? \_\_\_\_\_ Yes X No

Identification of Major Program:

CFDA Number  
20.205

Name of Federal Program  
Highway Planning and Construction

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.
- The Commission qualified as a low-risk auditee.

**II. FINDINGS – Internal Control Over Financial Reporting**

None

**CAPITAL REGION PLANNING COMMISSION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**III. FINDINGS – Compliance and Other Matters**

**2013-1 Louisiana Budget Law**

*Condition:* The Capital Region Planning Commission's General Fund had an unfavorable variance of 25.22% of total actual revenues to total budgeted revenues.

*Criteria:* Louisiana Revised Statute 39:1311A(1) requires that the budget shall be amended when total revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

*Effect:* The negative variance of revenues of more than five percent is a violation of Louisiana Revised Statute 39:1311A(1).

*Cause:* The Capital Region Planning Commission did not amend the General Fund budget when the Commission experienced a negative variance of revenues of five percent or more within the General Fund.

*Recommendation:* The Capital Region Planning Commission shall advise the governing authority in writing when total actual revenues and other sources for the remainder of a year, within a fund, are exceeding the total budgeted revenues and other sources by five percent or more.

*Management's Response:* We concur with the finding. Management will review the current year budget for any revenue deficiencies expected to ensure compliance.

**IV. FINDINGS – Federal Awards**

None

**CAPITAL REGION PLANNING COMMISSION**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**I. FINDINGS – Internal Control Over Financial Reporting**

None

**II. FINDINGS – Compliance and Other Matters**

None